

Ordinance No. 123111

Council Bill No. 116653

AN ORDINANCE relating to a loan from the Washington Department of Ecology allocated through the American Recovery and Reinvestment Act of 2009 for the purpose of making water quality improvements in the Ballard combined system basin; accepting the loan funds and authorizing the Seattle Public Utilities' Director or his designee to execute related agreements.

CF No. \_\_\_\_\_

|                              |                |   |
|------------------------------|----------------|---|
| Date Introduced:             | <u>9.21.09</u> |   |
| Date 1st Referred:           |                | To: (committee)<br><u>Environment, Emergency Management + Utilities</u>   |
| Date Re - Referred:          |                | To: (committee)   |
| Date Re - Referred:          |                | To: (committee)   |
| Date of Final Passage:       | <u>9-28-09</u> | Full Council Vote:<br><u>8-0</u>  |
| Date Presented to Mayor:     | <u>9.29.09</u> | Date Approved:<br><u>9.30.09</u>  |
| Date Returned to City Clerk: | <u>10.1.09</u> | Date Published:<br><u>2</u>   |
| Date Vetoes by Mayor:        |                | T.O. <input checked="" type="checkbox"/><br>F.T. <input type="checkbox"/> |
| Date Passed Over Veto:       |                | Date Veto Published:  |
|                              |                | Veto Sustained:   |

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: \_\_\_\_\_

Councilmember

### Committee Action:

9/22/09 passed 3-0 yes, Contin, McIver, Burgess

9-28-09 Passed 8-0 (Excused: McIver)

This file is complete and ready for presentation to Full Council. Committee: RC 9/22/09  
(Initial/date)

*Law Department*

Law Dept. Review

OMP  
Review

City Clerk  
Review

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ORDINANCE

123111

AN ORDINANCE relating to a loan from the Washington Department of Ecology allocated through the American Recovery and Reinvestment Act of 2009 for the purpose of making water quality improvements in the Ballard combined system basin; accepting the loan funds and authorizing the Seattle Public Utilities' Director or his designee to execute related agreements.

WHEREAS, the United States Congress has authorized \$4 billion for the Clean Water State Revolving Funds as part of the American Recovery and Reinvestment Act of 2009 ("ARRA"); and

WHEREAS, the City submitted an application to the Washington Department of Ecology; and

WHEREAS, based on the City's successful application, the Ecology has awarded \$1.547 million to the City of Seattle in the form of a low-interest loan (2.9 percent) with 50 percent loan forgiveness; and

WHEREAS, the ARRA grant funding constitutes one-time funding for water quality improvements; and

WHEREAS, the City is not obligated to continue or maintain ARRA grant funding levels once ARRA grant funds have lapsed; NOW, THEREFORE,

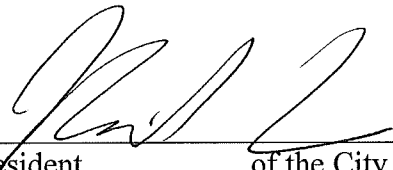
**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Seattle Public Utilities is authorized to accept ARRA funds from Washington Department of Ecology for the Clean Water State Revolving Fund in the amount of \$1.547 million for the purpose of water quality improvements in the Ballard combined system basin. The Director or his designee is authorized to execute and deliver and perform for and on behalf of the City of Seattle such agreements and certifications as may be necessary to accept the ARRA funds. The funds, when received, shall be deposited into the Drainage and Wastewater Fund (44010). The Director or his designee is further authorized to execute and deliver documents relating to the agreements if required by federal guidelines.

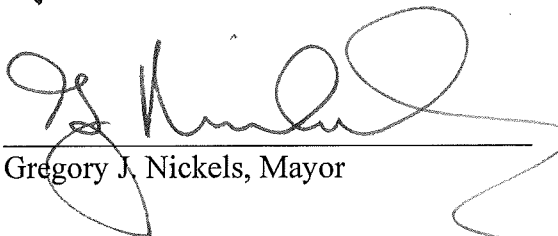


Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

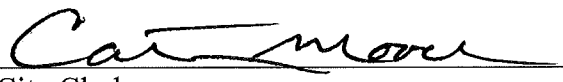
Passed by the City Council the 28<sup>th</sup> day of September, 2009, and signed by me in open session in authentication of its passage this 28<sup>th</sup> day of September, 2009.

  
\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this 30<sup>th</sup> day of September, 2009.

  
\_\_\_\_\_  
Gregory J. Nickels, Mayor

Filed by me this 1st day of October, 2009.

  
\_\_\_\_\_  
City Clerk

(Seal)



**FISCAL NOTE FOR CAPITAL PROJECTS ONLY**

| <b>Department:</b>       | <b>Contact Person/Phone:</b> | <b>DOF Analyst/Phone:</b> |
|--------------------------|------------------------------|---------------------------|
| Seattle Public Utilities | Bob Hennessey (5-0740)       | John McCoy (5-0768)       |

**Legislation Title:**

AN ORDINANCE relating to a loan from the Washington Department of Ecology allocated through the American Recovery and Reinvestment Act of 2009 for the purpose of making water quality improvements in the Ballard combined system basin; accepting the loan funds and authorizing the Seattle Public Utilities' Director or his designee to execute related agreements.

**Summary and background of the Legislation:**

The American Recovery and Reinvestment Act (ARRA) of 2009 allocated \$4 billion nationally to the Clean Water State Revolving Funds for water quality improvement projects. Washington State's Department of Ecology administers the program here for the U.S. Environmental Protection Agency. Seattle Public Utilities (SPU) applied for several projects out of Washington's allocation and was recently awarded \$1.547 million to build approximately 10 blocks of swales and other natural drainage features for stormwater flow control and water quality improvements. The project is part of SPU's efforts to meet state and federal regulatory requirements governing periodic overflows in the combined sewer system.

In addition to reducing a portion of the combined sewer overflow volumes in the Ballard area, this project will develop the design templates and inform the cost and performance data for bioretention cells in the right-of-way. This information will be used to better evaluate, and provide a higher level of confidence for, the role of this green stormwater infrastructure strategy in achieving Seattle's combined sewer system compliance.

The ARRA award is in the form of a low-interest loan (2.9% interest). Under ARRA's "green infrastructure" provisions, Ecology has elected to forgive 50% of the loan value when the project is completed. The remainder will be repaid with Drainage and Wastewater rate revenue.

SPU expects to have the project under contract by the required date in February 2010.

| <b>Project Name:</b>            | <b>Project I.D.</b> | <b>Project Location:</b> | <b>Start Date:</b>                  | <b>End Date</b>                         |
|---------------------------------|---------------------|--------------------------|-------------------------------------|---|
| Ballard Combined Sewer Overflow | C303101             | Ballard                  | January, 2008<br>(existing project) | December, 2020 (future phases expected) |

- *Please check any of the following that apply:*



**This legislation creates, funds, or anticipates a new CIP Project.** (Please note whether the current CIP is being amended through this ordinance, or provide the Ordinance or Council Bill number of the separate legislation that has amended/is amending the CIP.)

       **This legislation does not have any financial implications.** (Stop here and delete the remainder of this document prior to saving and printing.)

  X   **This legislation has financial implications.** (Please complete all relevant sections that follow.)

**Appropriations:** This table should detail existing appropriations and reflect appropriations that are a direct result of this legislation. If this legislation does not directly change an appropriation, but has budget impacts, please explain in the notes section below:

| Fund Name and Number | Department | Budget Control Level* | Existing 2009 Appropriation | New 2009 Appropriation (if any) | 2010 Anticipated Appropriation |
|----------------------|------------|-----------------------|-----------------------------|---------------------------------|--------------------------------|
|                      |            |                       |                             |                                 |                                |
| <b>TOTAL</b>         |            |                       |                             |                                 |                                |

\*See budget book to obtain the appropriate Budget Control Level for your department.

**Notes to Appropriations Table:** No new appropriation is required. Anticipated \$300,000 spending in 2009 will be covered administratively within existing budget authority. Project allocation will be adjusted in the forthcoming 2010-2015 Proposed CIP.

**Spending Plan and Future Appropriations for Capital Projects:** Please list the timing of anticipated appropriation authority requests and expected spending plan. In addition, please identify your cost estimate methodology including inflation assumptions, the projected costs of meeting applicable LEED standards, and the percent for art and design as appropriate.

| Spending Plan and Budget (in thousands) | 2009  | 2010    | 2011 | 2012 | 2013 | 2014 | Total        |
|---|-------|---------|------|------|------|------|--------------|
| Spending Plan                           | \$300 | \$1,478 |      |      |      |      | <b>1,748</b> |
| Current Year Appropriation              | \$0   |         |      |      |      |      |              |
| Future Appropriations                   |       | \$1,478 |      |      |      |      | <b>1,748</b> |

**Notes:** Approximately \$200,000 of the project budget is not eligible for ARRA loan and will be paid with Drainage & Wastewater rate funds.

**Bond Financing Required:** If the project or program requires financing, please list type of financing, amount, interest rate, term and annual debt service or payment amount. Please include issuance costs of 3% in listed amount.



| Type                              | Amount         | Assumed Interest Rate | Term     | Timing                | Expected Annual Debt Service/Payment |
|-----------------------------------|----------------|-----------------------|----------|-----------------------|--------------------------------------|
| Clean Water SRF Low-interest Loan | \$1.547        | 2.9 percent           | 20 years | On project completion | \$51,000, after loan forgiveness     |
| <b>TOTAL</b>                      | <b>\$1.547</b> |                       |          |                       | <b>\$51,000</b>                      |

**Notes:**

- **Do positions sunset in the future?** *(If yes, identify sunset date):* N/A
- **What is the financial cost of not implementing the legislation:** Without this ARRA award, SPU would need, for regulatory compliance, to undertake the same or similar stormwater management projects at higher, market interest rates, raising total cost to the ratepayers.
- **Does this legislation affect any departments besides the originating department?**  
 No.
- **What are the possible alternatives to the legislation that could achieve the same or similar objectives:** Acceptance of the grant award is a prerequisite for the receipt of these federal economic stimulus funds. There are no alternatives that could achieve the same or similar objectives.
- **Is the legislation subject to public hearing requirements:** *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future?)* No.
- **Other Issues** *(including long-term implications of the legislation):*

**Please list attachments to the fiscal note below:**



# City of Seattle

Gregory J. Nickels, Mayor

## Office of the Mayor

September 8, 2009

Honorable Richard Conlin  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill, which accepts \$1.547 million in federal stimulus funds allocated through the Clean Water State Revolving Fund. Seattle Public Utilities will use the award to control stormwater flows and improve water quality by building approximately 10 blocks of bioretention swales and other natural drainage features in the Ballard combined system basin. This effort is part of the City's strategy to come into regulatory compliance with state and federal water quality rules and to prevent combined system overflows into our waterways.

Thank you for your consideration of this legislation. Should you have questions, please contact Tracy Tackett at 386-0052.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Nickels', with a long, sweeping underline that extends to the right.

GREG NICKELS  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

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600 Fourth Avenue, 7<sup>th</sup> Floor, P.O. Box 94749, Seattle, WA 98124-4749

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